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Q3 2018 Rxi Pharmaceuticals Corp Earnings Call

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PRESENTATION

Operator

Welcome to today's webcast entitled, RXi Pharmaceuticals' Third Quarter 2018 Financial Results Earnings Call. Today's call is being recorded.

At this time, it is my pleasure to turn the floor over to the Senior Director of Finance for RXi, Caitlin Kontulis. Miss, the floor is yours.

Caitlin Kontulis *RXi Pharmaceuticals Corporation - Senior Director of Finance*

Thank you, operator. Good afternoon, ladies and gentlemen, and thank you for participating on our call today. I am also joined by our CEO, Geert Cauwenbergh; and our President and Chief Operating Officer, Dr. Gerrit Dispersyn.

I would like to remind listeners that this call will contain certain statements concerning RXi's future expectations, plans and processes, which constitute forward-looking statements for the purposes of the Safe Harbor provisions under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements and as a result of various important factors, including those discussed in our most recent Form 10-Q filed with the SEC.

In addition, any forward-looking statements represent our views only as of the date of this recording and should not be relied upon as representing our views as of any subsequent date. We specifically disclaim any obligations to update such statements.

Now, I'd like to turn the call over to our CEO, Dr. Cauwenbergh.

Geert Cauwenbergh *RXi Pharmaceuticals Corporation - CEO*

Thank you, Caitlin, and good afternoon, everybody. The third quarter as well as the first few weeks of the fourth quarter of this year have been good for RXi Pharmaceuticals from a financial point view, with a substantial reduction of our third quarter and nine months loss as compared to the same period of 2017.

In addition to our reduction in our spending, we were able to complete the financing that has resulted in an extended cash runway for our company into the second half of 2020. As a side effect of this financing, our share price has dropped below the $1 mark that has triggered a letter from that NASDAQ requesting that we take action to bring the share price back above $1 mark in the next six months. Ms. Kontulis, our Senior Director of Finance will provide more color to these financial developments.

I've mentioned in previous calls, we also have an active process underway to sell or out-license our dermatology and ophthalmology assets aiming at creating additional non-dilutive cash that would further extend our cash runway well into 2021. We started this process with the support an advisory firm and have seen good interest on the dermatology side and excellent traction in the ophthalmology space. The actual process has accelerated recently with the final clinical data becoming available.

The interested parties are performing their due diligence and we will keep you posted on further developments. With the financing complete, we have the ability to allow for the most optimal deal terms even if this takes a bit longer than originally planned.

Despite our reduced spending and thanks to collaborative arrangements with several academic and industrial partners as well as due to our own internal R&D activities, we have seen a steady progression of our work in the immuno-oncology and adoptive cell therapy space.

Dr. Dispersyn will provide some highlights of those activities including our very exciting data generated internally with natural killer cells. Cells that have become rather popular in these IO and ACT community in the past few years.

In our press release this morning, we announced that in the coming week, the name of our company will change from RXi Pharmaceuticals to Phio Pharmaceuticals Corporation. At that same moment, our ticker symbol on NASDAQ will become P-H-I-O, PHIO. This name change is made to emphasize the fact that our company is fully committed to making our self-delivering RNAi platform the nexus can power the human immuno-oncology efforts currently undertaken by many pharma and biotech companies in this exciting new field of medicine.

In that same press release this morning, we announced as of today the appointment of Gerrit Dispersyn, as our President and Chief Operating Officer, a role in which he will manage all the day-to-day activities of the Company and he's aligned to become the next CEO of Phio Pharmaceuticals.

In the past 18 months, since April of 2017, Gary has served as Chief Development Officer of the Company and he has showed a remarkable aptitude in absorbing and digesting the complexities of clinical, preclinical and research activities in our company, and the board and management believe that under his leadership, Phio Pharma can succeeded in executing its goals which should result in our shareholders doing well and most importantly patients doing well.

I will remain on the Board of Directors of Phio Biopharmaceuticals and in a transitional period will remain CEO with primarily strategic responsibilities for financials, intellectual property and strategic transactions.

And with this, I'm happy to hand the call over to Caitlin Kontulis for a review of the financials during the past quarter.

Caitlin Kontulis ***RXi Pharmaceuticals Corporation - Senior Director of Finance***

Thank you, Geert. The Company filed its third quarter Form 10-Q with the SEC today. The filing includes detailed information on the Company's financial performance for the quarterly period ending September 30, 2018. Today's call will focus on select financial highlights from this quarterly period.

The Company had grant revenues of $57,000 for the three months ended September 30, 2018. The grant revenues relate to the work performed by the Company as a sub-awardee under the government grant awarded to by BioAxone. The grant is for the development of a novel sd-rxRNA compound that targets PTEN for the treatment of spinal cord injury. The Company had no such revenues for the three months ended September 30, 2017.

Research and development expenses for the quarter ended September 30, 2018 were $0.8 million as compared with $1.5 million for the quarter ended September 30, 2017. The decrease was primarily due to a decrease in clinical trial related expenses as subject participation is complete for all of the companies' clinical trials in dermatology and ophthalmology as well as due to a decrease increase in payroll related expenses due to a reduction in headcount as compared with the prior year period.

General and administrative expenses for the quarter ended September 30, 2018 were $0.7 million as compared with $1 million for the quarter ended September 30, 2017. The decrease was primarily due to a decrease in payroll-related expenses including those as a result of a reduction in headcount as compared to the prior year period.

Net loss for the three months ended September 30, 2018 was $1.5 million compared with $2.5 million for the three months ended September 30, 2017. The decrease was driven by the decrease in operating expenses as just discussed.

At September 30, 2018, the Company had cash of $3.2 million as compared with $3.6 million at December 31, 2017. The Company further strengthened its balance sheet with the completion of an underwritten public offering on October 3, 2018. The offering included the sale of 3.7 million units with each unit consisting of one share of common stock and one warrant and 17.7 million prefunded units with each prefunded unit consisting of one prefunded warrant and one warrant for gross proceeds of $15 million dollars.

Assuming net of the warrants are exercised, net proceeds from the offering were approximately $13.3 million after deducting underwriting discounts and commissions and offering expenses paid by the Company. The completed offering provides the Company with an additional six to seven quarters of cash.

Based on our current burn rate of $2 million per quarter with the Company's cash on hand at September 30, 2018 and the net proceeds from the underwritten offering, the Company believes it has sufficient cash to fund operations into the second half of 2020. This includes initiating our first clinical trial in immuno-oncology and continuing to advance our IO programs toward clinical development. This also excludes any additional funding that may come in through licensing or collaboration agreements.

Lastly, the Company received notice from NASDAQ this past Monday regarding the Company's share price. As our share price has been trading below $1 for the past 30 consecutive business days, the Company is no longer in compliance with NASDAQ listing requirements. To regain compliance, the Company's share price must have a closing price of at least $1 for 10 consecutive business days at any time prior to May 13, 2019. In the event the Company does not regain compliance by that time, we may be eligible for additional time to reach compliance. There is no impact on our NASDAQ listing at this time.

With that, I'll turn the call over to Gerrit.

Gerrit Dispersyn ***RXi Pharmaceuticals Corporation - President and COO***

Thank you, Caitlin, and good afternoon, everyone. I would like to start off by commenting on the announcement of my promotion to President and COO of Phio Pharmaceutical. I'm humbled that Geert and our Board of Directors have appreciated my contributions and I'm grateful for the opportunity to further support the Company's new chapter in immuno-oncology and obviously its future successes. I look forward to working with Geert and the entire Phio Pharma team on delivering on our upcoming milestones.

Considering the momentum that we have generated over the last few quarters, I believe we can expect exciting times ahead. Research and development is never fully predictable or a straight line, but with our current R&D efforts, we are generating multiple shots on goal for the success of our sd-rxRNA technology in the immuno-oncology. So please allow me to give you a brief overview of the progress we are making with our R&D programs.

As you know, our immuno-oncology activities are mainly three focus area and for those among you that do not know these three areas, let me briefly explain them to you. Our first focus area is using our proprietary cell delivering RNAi platform to improved T-cells used in adoptive cell therapy or ACT by reducing the expression of the immune checkpoint proteins.

The second R&D focus area is also in the area of ACT but here we use our sd-rxRNA components to improve other immune cells such as natural killer cells and dendritic cells. We also look at other target proteins outside of immune checkpoints to improve the function, fitness and persistent of the immune cells.

Our third and last R&D focus area is the use of sd-rxRNA compound directly to impact the tumor macro environment.

I'm extremely pleased with the progress that we made in our second R&D program. Indeed, we recently announced that we entered into research collaboration with the lab of Professor Rolf Kiessling of the Karolinska Institutet in Stockholm, Sweden. Some of you know that we previously collaborated with Rolf and his team showing that sd-rxRNA targeting PD-1 can enhance tumor infiltrating lymphocyte anti-tumor activity against melanoma cells.

This new collaboration however expands the R&D focus to using sd-rxRNA compound against other target to improve ACT with T-cells as well as ACT with other cell types including natural killer cells. More specifically, the protein targets that we're focused on go beyond the immune checkpoint targets we already have in development. Indeed, the other interesting target that can significantly help the immune cells function, fitness and persistence has to do with cell differentiation and/or the immune cell tumor-induced stress response.

Through this collaboration, we aim at producing anti-tumor adoptive cell therapy grafts with improved functionality and persistence beyond what can be achieved with checkpoint blockade alone. Since the start of our collaboration, we have already identified, designed,

screened and manufactured several new sd-rxRNA compounds in vitro work where the first few of these compounds is currently being initiated at the Karolinska Institutet.

Our internal work in our second R&D focus area has been very fruitful as well. We have been able to show that several of our sd-rxRNA compounds against the immune checkpoint targets are highly relevant as well as in natural killer cells. Natural killer cells are served as the crucial first line of defense against tumors and other pathogens. Because of their ability to kill tumor cells, NK cells are an attractive target for cancer immunotherapies.

Through our internal R&D efforts, we have been able to show that our sd-rxRNA compounds are rapidly and efficiently taken up by natural killer cells without the use of transfection reagents. Using sd-rxRNA compound against checkpoint inhibitors such as Cbl-b and TIGIT, we can suppress the expression levels of these targets up to 95% in NK cell.

We could also show that this potent and long-lasting reduction of these protein targets resulting in phenotypic changes indicating that these cells become weaponized. That means that their tumor killing activity is increased by our compounds. Therefore by treating NK cells with sd-rxRNA targeting immune checkpoint such as TIGIT or other inhibitory receptors, the anti-tumor response of these cells may be enhanced resulting in more effective therapy for certain types of cancer.

The results of this exciting work has been presented at two recent conferences namely, the 16th Annual Discovery on Target conference that was held in Boston and the 33rd Annual Meeting of the Society of Immunotherapy of Cancer or SITC that was held last week in Washington D.C.

These results were well received and based upon that, we are anticipating that we will be able to expand our extramural collaboration in this field. We believe that such collaborations will help us to accelerate our product development in this R&D focus area. Indeed, similar collaborations in our two other focus areas have resulted in a nice progress as well of which I will now give you the key highlights.

In our first R&D focus area, our collaborations with CCIT, Iovance and Medigene have resulted in an important new findings. For example, CCIT has shown that our lead compound, RXI-762, that can get marked reduction of PD-1 surface protein expression in tumor infiltrating lymphocytes. Moreover, RXI-762's efficacy is not affected by varying culture conditions such as serum concentrations. That is the level of reduction of PD-1 via compound is similar whether high or low serum concentrations are used. This shows the flexibility of our platform and the consistency by which the desired results can be obtained.

Such data and consistency is also coming from Medigene. They show that with RXI-762, they can get similar reduction of PD-1 surface levels regardless of the type of T-cells they are using. As you may know, Medigene are developing genetically engineered T-cells with specific T-cell receptors or TCRs, and in their hands, RXI-762 works equally well in non-engineered T-cells as well as in their engineered T-cells.

Further progress in our third R&D focus area came from our collaboration with the leading European cancer center, Gustave Roussy, who are helping us with the data generation on the direct use of sd-rxRNA compounds by intratumoral injection. In a mouse model of melanoma, we were able to get a very high reduction of a target gene expression in the order of magnitude of 80% to 85% after intratumoral injection.

The data is even more impressive when you know that the undisclosed target is an isoform that is a protein that is structurally similar to other proteins. We can show that we can very selectively knock down only the target isoform without impacting the expression of the other related proteins. This shows us with our technology we can target protein isoforms that are otherwise referred to as undruggable, indeed protein isoforms have proven to be impossible or at least very difficult to target with other technologies such as small molecules or antibodies.

Last but not least even with all these exciting work ongoing other areas, we are continuing to work on the critical pathway to clinic with our lead compound, RXI-762. We are happy to announce that we have achieved a major interim milestone namely the successful completion of the manufacturing of a clinical grade batch of RXI-762. We are working to prepare for the up-scaling of the TIL

manufacturing that includes the use of RXI-762 in these batches, which is our next key milestone in this program.

And with that, I would like to turn the call over back to Caitlin and look forward to your comments and questions.

Caitlin Kontulis ***RXi Pharmaceuticals Corporation - Senior Director of Finance***

Thank you, Gerrit. This concludes the formal presentation for today. Operator, we would like to open the call to questions, please.

QUESTIONS AND ANSWERS

Operator

Thank you. The floor is now open for questions. (Operator Instructions)

And your first question comes from [Steven Seltzer], a private investor. Your line is open. Steven, please check your mute button.

And we'll go on to our next question from Anita Dushyanth with Zacks Small Capital Research. Your line is open.

Anita Dushyanth ***Zacks Small Capital Research - Analyst***

Thank you for taking my questions and I'm here for [John]. Just quickly wanted to ask you about the cash position, I know you said that with the recent capital raise, you should be good to mid-2020. How do we expect the expenses to -- what level of expense would you -- should you anticipate for the fourth quarter and the next year as you go into the clinic?

Caitlin Kontulis ***RXi Pharmaceuticals Corporation - Senior Director of Finance***

Hi, Anita. Thank you the question. This is Caitlin. What we expect over the beginning of next year to continue with our burn rate of around $2 million per quarter and our expenses should be in line with that. And then we expect that to start to ramp up as we get ready to enter into the clinic and then certainly as we start the clinical trial and as expenses related to that which will come towards the end of 2019 and flow into 2020 as well.

Anita Dushyanth ***Zacks Small Capital Research - Analyst***

So as I understand, so the cash burn goes up maybe from sometime in the -- after Q1 2019?

Caitlin Kontulis ***RXi Pharmaceuticals Corporation - Senior Director of Finance***

Yes, I think that would likely to be closer towards the end of the year that we see that start to increase higher than the $2 million per quarter burn rate.

Anita Dushyanth ***Zacks Small Capital Research - Analyst***

Okay, all right. And congrats, Gerrit, on your new role as a COO. Just wanted to know what kind of new efforts will you be pursuing?

Gerrit Dispersyn ***RXi Pharmaceuticals Corporation - President and COO***

Well, thank you, Anita, appreciate that. So, I think that what we are really pursuing is, is the success that we've done in the different area. So if you remember, if you dial back the clock of about year and year and half, we were still making a transition from other therapeutic areas into immuno-oncology. And at that moment, our immuno-oncology focus was really in one area, it was T-cell and checkpoint inhibition. Most of these efforts were also done internally.

Since then we've been able to establish further direction for our R&D program into the two other areas that I just explained and quite frankly that's also in reference to the multiple short-term goal.

What we were able to do in a very short amount of time is not only increase our internal R&D efforts in these different areas showing the power and the flexibility of our platform technology in immuno-oncology, but also we've been seeing -- we've been essentially reaping the benefits of the increased visibility and decreased interest of extramural collaborators. So since then, we've been getting into six different collaborations with academic partners and industry partners. And that's the direction that we will continue to follow.

I think to -- the immuno-oncology space is very exciting, it's also very difficult. And I think in collaboration with the experts in terms of cell therapy, we can show the complementary benefit of our of our technology, and hand-in-hand, we can accelerate the development in different areas where if we would be doing it by ourselves, it would be going much slower, it would be much more difficult. So expect to see an increase in the number of formally announced pipeline products and expect to see an increased number of collaborations in each of those areas.

Anita Dushyanth *Zacks Small Capital Research - Analyst*

Okay, great, thank you for your very comprehensive response. And I also know you just spoke about the collaboration with the Karolinska Institute in Sweden that the new compounds are in the in vitro testing. When can we sort of expect some news regarding that in the next year?

Gerrit Dispersyn *RXi Pharmaceuticals Corporation - President and COO*

Yes, it's a good question, right. So, the different phases of collaborations like that are somewhat the way that I explained it, initially the scientific interest in terms of what protein targets would be more relevant for T-cells and also NK-cells. We specifically focus on targets outside of checkpoints because we believe that these will be complementary to the checkpoint targets we already have.

So, the initial data flow will go towards the validation of those scientific concepts that by going after some of these other protein targets, some of which have to do with cell differentiation, some of which have to do with the metabolic fitness of those cells, whether indeed we can prove that in in vitro and then later on expect to see that indeed these new targets are -- can be utilized in combination with some of the other targets that we already have such as our anti-PD-1 and anti-TIGIT checkpoint inhibiting sd-rxRNA compound.

Remember that we previously showed data very convincing data that unlike small molecules or antibodies, we can very easily combine multiple sd-rxRNA compounds at once and one let's say treatments run off of T-cells let's say or NK cells and get much more active cells. And that's -- based upon that platform, based upon that knowledge, we're building it.

So, for the identification and validation of the initial compounds, we expect that to get done in the first quarter of 2019 and then full of data of showing essentially the complementary effects of that that will follow later in the data -- later in the year I should say, so potentially towards the mid of 2019

Anita Dushyanth *Zacks Small Capital Research - Analyst*

Okay, all right. And just one last question here. I know the NK cells they're sort of the first line defense against -- from the body. And how -- could you just explain a little bit how the sd-rxRNA enhances or how does [those get] activity?

Gerrit Dispersyn *RXi Pharmaceuticals Corporation - President and COO*

Yes, another good question. So NK cells have been increasingly gathered interest with a lot of academic institutions and a lot of companies as a very [elegant] platform for adoptive cell therapy for the simple reason that they're not really limited to a certain recognition of abnormal cells like this, essentially epitopes that are T-cells required for their function. But what has become clear since the first groups we're focusing on NK cells is that NK cells are also the victim of certain suppressive mechanism that tumor cells can have or that suppressive tumor environment can have.

So similar to T-cells, NK cells can suffer from checkpoint inhibition signaling, and NK cells can also suffer from other protection mechanisms that are built-in, right. So, human body wants to make sure that like NK cells and other immune effector cells don't go gangbusters against your normal tissues. And some of those escape pathways are being hijacked, if you want, by tumor cells. So whereas other companies have been looking into making those NK cells less susceptible to those suppressive mechanisms, with small molecules, it's very difficult to do.

Also with regards to genetic engineering, it is difficult to do because it is very much different from one patient to the other patient and even in same patient to allow the treatment that it can -- the suppressive pathways can change. So, that's where our technology is fairly elegant because we don't need to genetically modify NK cells. We can do that easily by adding our sd-rxRNA compounds during the manufacturing process of those cells. And we can essentially combine them in such a way that for certain tumor or for certain patients, it

becomes very much tailored to what is need in that situation. And that is obviously impossible to do you can't just do a quote-unquote bedside tailoring with genetic modification. And so, that's why NK cells are very attractive to us and complementary to the efforts that we're already doing with other types of immune [suppressor] T-cells.

Anita Dushyanth ***Zacks Small Capital Research - Analyst***

Okay. So basically then they change this kind of use for adoptive cell therapy?

Gerrit Dispersyn ***RXi Pharmaceuticals Corporation - President and COO***

Correct. And interesting to know as well, the companies that are working -- using NK cells for adoptive cell therapy, what they want to do is essentially get a frozen product, right. So a product that's really ready for distribution and bedside use without the logistical nightmares that quite frankly hold somewhat of the CAR-T cell companies. So NK cells could be supplied and frozen and then provided to the patients without needing to use fresh cells.

And for that reason one of the aspects that we also showed in the poster, I didn't go into detail during this call is that we can also show that our technology is perfectly comparable with free cell cycles meaning that we can add our compounds during the expansion of the -- during the manufacturing, if you want of the NK cells and the NK cells get frozen, and after the cells getting thawed and given to the patient. The efficacy of our compounds is same as if we would be using it in fresh cells, so that's very exciting as well.

Operator

Thank you. Your next question comes from [Justin Foster], a private investor. Your line is open.

Justin Foster ***- Private Investor***

Your chasing of NASDAQ compliance over the last few years, finds your share price at about a 100, the same $0.30 it was before your penultimate 1 for 10 split a couple years ago that your shareholders beg you not to do, not to mention the most recent one. Could you maybe announce today to NASDAQ that you have no intention of trying to retain compliance and that you will delist with pleasure and thus save all of your shareholders a loss of another tenth or a hundredth of your price?

Geert Cauwenbergh ***RXi Pharmaceuticals Corporation - CEO***

Well, first of all, we certainly wouldn't do that with pleasure as you're stating. But we're going through the motions, there is at this point in time no reason to announce anything because we have a number of arrows in our [quiver] that we hope will be able to bring us over that $1 mark and for 10 consecutive days.

So, we don't do these reverse splits for fun of it and I hope that you understand that. We feel that the technology platform we have is remarkably different from what is currently available in the -- among the technologies that exist today in the IO and ACT space. And at some point, it is going to provide sufficient feasibility on the radar screens of various players that could help us to generate value and interest.

Certainly, I would say exploring strategic transactions is not out of the question. But at the same time, making premature statements about what we're going to do a year from now or six months from now or whatever it is, that would be inappropriate and that would be not be very prudent and it would not serve the shareholders at all.

Justin Foster ***- Private Investor***

I appreciate that. One comment and then a couple more questions, if you would be so kind. Just in relation to that, the one purpose it could serve is that with the prospect of reverse splits out there, you scare away a lot of investors who know how the shorts have played with your stock and how particularly they relish the opportunity to start at $3 and $4 again and to drive it down to another $0.30. Early announcement that you will not be playing that game might entice investors to either stay with you or come in where otherwise they would have that fear that the same thing is going to happen again which would keep some savvy investors, I would say smart money away. So, you don't need to respond to that but that would be my explanation for why it would be a good idea to announce it quote prematurely.

Be that as it may and thank you for taking that under advisement. Can you give a range, a ballpark for the kind of value for the dermatological and ophthalmological of process that you're trying to sell? You've been in negotiations on and off I presume with some interested parties. And I'm not asking for any specific value, but could you give your shareholders a range that you think would be reasonable that you're dealing with?

Geert Cauwenbergh *RXi Pharmaceuticals Corporation - CEO*

That's difficult to give the range. First of all, look at dermatology; we have very nice dermatology assets that by the way in addition to the clinical assets what we have in terms of IP for this dose specific therapeutic areas -- and therapeutic areas is also on the table. So people can pull off many more products that are depending on what the level of interest in certain protein target is.

The dermatology has undergone a substantial change in general with [Nestle] -- for instance, the last company who had a global dermatology franchise [pirated] by Galderma putting the old dermatology piece on the biding block hoping for private equity investor to pick it up.

So, the dermatology approach is going to be somewhat different and values that we can get will be somewhat different than in ophthalmology. We have players that basically have signed a CDA and are doing due diligence. We have regularly calls with those players also in ophthalmology when they have additional questions.

Ophthalmology gets a lot more attention also from large players because ophthalmology still has a number of large players on a global basis, but to provide you with more than this color would be absolutely premature.

Justin Foster - *Private Investor*

Okay. Disappointed to hear that that we can't even get a rough idea to give us a little idea that if you're at last successful, we would know whether that might be one impetus to getting you closer back to a $1 a share that you are desiring, but be that as it may.

The name change itself. This is not a -- this is a question. And again back to all the naked shorts out there and all of that, this is not a mechanism, is it, that would help bring them in tow. In other words, even if someone has millions of shorts out there nakedly or otherwise, the name change will not force them to buyback or legitimatize their holding, that's a fair statement, isn't it?

Geert Cauwenbergh *RXi Pharmaceuticals Corporation - CEO*

I think that's a fair statement. We haven't done the name change for that purpose. We've been thinking for quite a few months to the necessity for a name change.

RNAi is a general technology platform and we have really made a statement in the past while we kept our RXi and RNAi holding name that we wanted to be a product company, dermatology, ophthalmology and afterwards immuno-oncology. There are number of RNAi companies out there and I applaud and very grateful to the work done by Alnylam to get the first one through the approval system, but that's in a totally different disease pattern.

So, we felt that with our laser sharp focus on the immuno-oncology and adoptive cell therapy and with our dramatically increased interaction with other players in that field, if I compare it to what our interactions were with players in the dermatology and in the ophthalmology field, we really attract a lot of interest as Dr. Dispersyn has mentioned, that we felt that it would be beneficial if our name would represent what we are today, not a platform company anymore although we own the platform, but a product-focused Company and that basically was the rationale behind it. [Go through] -- whether through some shorter that said that they - shorters will always do what they want to do.

Justin Foster - *Private Investor*

I appreciate that. And finally -- and thank you again for your time. Any progress or new mechanisms in your fight against naked shorts and manipulation, is there either FINRA or anybody else or any new mechanisms, any new ideas, any new attempts or resources on your part to try to at least have the value of your company reflected in the share price as opposed to simply at the mercy of those who love to manipulate your shares?

Gerrit Dispersyn ***RXi Pharmaceuticals Corporation - President and COO***

We've had in the past seven years almost a few interactions with the SEC and they then look into it but cannot identify specifically -- they can see that manipulation has happened, but they cannot see who did it. So, we are not spending all that much energy towards that anymore because it is what it is.

One of the things we are doing and it goes back to a previous comment that you made in terms of bona fide quality investors. We have started to work with the investment bank that we used, this time H.C. Wainwright. We have started to -- with their help, reach out to deep value long term investors that actually are often bridge investors between private equity or that even are agnostic when it comes to private versus public entities.

The people that like stories they take a lot more time to do due diligence, but they like to investigate the story. They usually follow for a certain period of time, three, six months the Company very closely and then would be willing at some point in time to come in at a reasonable price while also being able to support the Company in the aftermarket. And that is an effort that we are building out together with that bank so that if there is a need and in biotech, there's usually always a need to get additional money that it can be done with the type of investors that you were referring to.

Operator

Thank you. Your next question comes from Steven Seltzer, a private investor. Your line is open. Mr. Seltzer, please check your mute button.

And there appears to be no more questions at this time.

Caitlin Kontulis ***RXi Pharmaceuticals Corporation - Senior Director of Finance***

Thank you. I'd like to thank everybody for participating on our call today. Please continue to look to our website, public filings and press releases for future updates on the Company. Operator, please close the call.

Operator

Thank you. This does conclude today's conference. We thank you for your participation. You may disconnect your lines at this time. And have a great day.
